



# STAFF REPORT

## CITY of YORBA LINDA

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### ADMINISTRATION DEPARTMENT

**DATE:** DECEMBER 7, 2021

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** DAVID ALBAUGH, HUMAN RESOURCES & RISK MANAGER

**SUBJECT:** CLASSIFICATION, COMPENSATION AND TERMS OF EMPLOYMENT FOR MISCELLANEOUS, MID-MANAGEMENT AND MANAGEMENT EMPLOYEES

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### RECOMMENDATION

It is recommended that the City Council:

1. Adopt the following resolutions:
  - a. Resolution No. 2021-5773, relating to the classification, compensation and terms of employment for Miscellaneous employees.
  - b. Resolution No. 2021-5774, relating to the classification, compensation and terms of employment for Mid-Management employees.
  - c. Resolution No. 2021-5775, relating to the classification, compensation and terms of employment for Management employees.
2. Authorize supplemental budget appropriations of \$626,262 for fiscal year 2021-22 across the General Fund, Library Fund, and Landscape Management Assessment District (LMAD) Fund to fund the incremental costs associated with the approval of the employment agreements above what has already been included in the adopted budget.

### BACKGROUND

Pursuant to Chapter 2 of the Yorba Linda Municipal Code, the classification, compensation, and terms of employment for City employees are established by resolution of the City Council. In accordance with the Myers-Milias-Brown Act, the City met and conferred with the Yorba Linda Chapter of the Orange County Employees Association representing Miscellaneous employees and with the City Employees Associates representing the Mid-Management employees to negotiate and approve Memoranda of Understanding (MOUs) relative to salary and other terms and conditions of employment. In addition, the City also met and conferred with the members of the Management employees group regarding salary and benefits.

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## **DISCUSSION**

The meet and confer process resulted in proposed agreements with the Miscellaneous, Mid-Management, and Management employees. All three groups have ratified the proposed MOUs by a membership vote. The following is a summary of the changes from the previously approved agreements:

1. Term: Two (2) year and nine (9) months, from October 1, 2021, through June 30, 2024, bringing the contract terms back in line with the fiscal year calendar.
2. Compensation:
  - a. A one-time lump sum payment of four percent (4%) of base wages to be paid to all active represented employees upon City Council adoption of the resolutions. This is non-PERS reportable compensation.
  - b. A two percent (2%) general wage increase to the base wage rate of all represented classifications effective October 1, 2021.
  - c. A two percent (2%) general wage increase to the base wage rate of all represented classifications effective July 1, 2022.
  - d. A two percent (2%) general wage increase to the base wage rate of all represented classifications effective July 1, 2023.
  - e. In addition, eight (8) classifications in the City will receive market adjustments to bring the pay scale for the classifications within five percent (5%) of the market 50<sup>th</sup> percentile to maintain the City's ability to attract and retain exceptional employees.
3. Contract language has been amended in each of the MOUs to clarify and update existing language and to accurately reflect City policy and practices. These changes are administrative in nature and do not create new terms or conditions of employment.

All other terms and conditions of employment are proposed to remain the same.

## **FISCAL IMPACT**

The costs associated with these compensation changes are estimated to be approximately \$626,262 for FY 2021-22, and additional \$252,228 for FY 2022-23, and an additional \$257,348 for FY 2023-2024. Of these amounts, approximately eighty percent (80%) is allocated to the General Fund, 70% of which represents American Rescue Plan Act funds received to replace lost revenues in General Fund and is being used for the one-time, non-PERSable lump sum payment. Fifteen percent (15%) is allocated to the Library Fund, and five percent (5%) to the LMAD fund.

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### **ALTERNATIVES**

Do not adopt the above resolutions and direct staff to restart the meet and confer process and consider mediation and impasse procedures.

### **ATTACHMENTS**

1. Resolution No. 2021-5773 – Misc Employees
  2. Resolution No. 2021-5773 – Attachment A
  3. Resolution No. 2021-5774 – MidMgmt Employees
  4. Resolution No. 2021-5774 – Attachment A
  5. Resolution No. 2021-5775 – Mgmt Employees
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